

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SENATE BILL 1571

AN ACT

AMENDING SECTION 41-1544, ARIZONA REVISED STATUTES; AMENDING LAWS 2000, CHAPTER 383, SECTION 10, AS AMENDED BY LAWS 2002, CHAPTER 264, SECTION 4; RELATING TO THE ARIZONA JOB TRAINING PROGRAM AND FUND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 41-1544, Arizona Revised Statutes, is amended to
3 read:

4 41-1544. Arizona job training fund: definitions

5 A. The Arizona job training fund is established consisting of
6 legislative appropriations, monies deposited pursuant to section 23-769,
7 gifts, grants and other monies. The department shall administer the fund.
8 On notice from the department, the state treasurer shall invest and divest
9 monies in the fund as provided by section 35-313, and monies earned from
10 investment shall be credited to the fund. Before any monies are disbursed
11 pursuant to this section, the legislature may appropriate monies in the
12 Arizona job training fund to be used for the department of economic
13 security's jobs program to provide job training for welfare clients.

14 B. The director may accept and expend federal monies and private
15 grants, gifts and contributions to assist in carrying out the purposes of
16 this article. All monies for the program shall be expended only for the
17 costs related to training, except that the department of commerce shall
18 reimburse the department of economic security for the development costs for
19 establishing a system to collect the job training employer tax imposed
20 pursuant to section 23-769 in an amount of not more than four hundred
21 thousand dollars and for incremental costs incurred by the department of
22 economic security relating to the collection of the job training employer tax
23 imposed pursuant to section 23-769. Monies in the Arizona job training fund
24 are exempt from the provisions of section 35-190 relating to lapsing of
25 appropriations.

26 C. The Arizona job training fund monies shall be spent on approval of
27 the department at the direction of the director in accordance with the
28 guidelines and procedures adopted by the governor's council on workforce
29 policy.

30 D. A minimum of twenty-five per cent of the monies appropriated to the
31 Arizona job training fund shall be used to provide training to small
32 businesses employing fewer than one hundred employees, until June 15 of each
33 fiscal year. After June 15 of each fiscal year, any unexpended monies may be
34 made available to any qualified applicant.

35 E. A minimum of twenty-five per cent of the monies appropriated to the
36 Arizona job training fund shall be used to provide training to businesses
37 located in rural areas of the state, until June 15 of each fiscal year.
38 After June 15 of each fiscal year, any unexpended monies may be made
39 available to any qualified applicant.

40 F. If a business receives monies for training from the Arizona job
41 training fund and the business employs fewer than one hundred employees and
42 is located in a rural area of this state, the business shall be included in
43 the minimum percentages prescribed in subsections D and E of this section.

1 G. No more than fifty per cent of the monies in the Arizona job
2 training fund shall be used to provide incumbent worker training.

3 H. A single grant awarded pursuant to this article shall not be more
4 than ten per cent of the estimated annual total of monies deposited in the
5 Arizona job training fund.

6 I. THE DEPARTMENT SHALL NOT APPROVE GRANT MONIES FOR REIMBURSEMENT OF
7 THE FOLLOWING EMPLOYER COSTS:

8 1. FRINGE BENEFITS, FOOD AND BEVERAGES, RECRUITMENT AND SIGNING
9 BONUSES FOR TRAINEES AND TRAINERS.

10 2. EMPLOYER COSTS TO COMPLETE A PROGRAM APPLICATION.

11 3. EXCEPT FOR SMALL BUSINESSES, TRAINING EXPENSES FOR PARTNERS OR
12 CORPORATE OFFICERS.

13 4. EMPLOYEE RELOCATION EXPENSES.

14 5. TRAINING OR COURSE DEVELOPMENT COSTS THAT ARE NOT PART OF THE
15 EMPLOYER'S APPROVED TRAINING PLAN.

16 6. COSTS FOR ASSESSING THE TRAINING NEEDS OF EMPLOYEES.

17 7. DRUG OR OTHER TESTING COSTS FOR EMPLOYEE SCREENING OR PRESCREENING
18 PURPOSES.

19 8. COSTS FOR TRADE SHOWS AND CONFERENCES OR SEMINARS THAT DO NOT
20 RESULT IN A SKILL CERTIFICATE THAT IS EARNED BY AN EMPLOYEE.

21 9. OTHER COSTS PROHIBITED BY RULE.

22 J. For the purposes of this section:

23 1. "Rural area" means either:

24 (a) A county with a population of less than four hundred thousand
25 persons according to the most recent United States decennial census.

26 (b) A census county division with less than fifty thousand persons in
27 a county with a population of four hundred thousand or more persons according
28 to the most recent United States decennial census.

29 2. "Small business" means a concern, including its affiliates, that
30 employs fewer than one hundred employees.

31 Sec. 2. Laws 2000, chapter 383, section 10, as amended by Laws 2002,
32 chapter 264, section 4, is amended to read:

33 Sec. 10. Delayed repeal: reversion

34 A. Section 23-730.02, Arizona Revised Statutes, and title 23, chapter
35 4, article 5.2, Arizona Revised Statutes, are repealed from and after
36 December 31, ~~2007~~ 2017.

37 B. Title 41, chapter 10, article 4, Arizona Revised Statutes, is
38 repealed from and after December 31, ~~2007~~ 2017, at which time any unexpended
39 or unencumbered monies in the Arizona job training fund attributable to the
40 job training employer tax imposed pursuant to section 23-769, Arizona Revised
41 Statutes, revert to the unemployment compensation fund established by section
42 23-701, Arizona Revised Statutes, and any unexpended or unencumbered monies
43 in the Arizona job training fund not attributable to the job training

1 employer tax imposed pursuant to section 23-769, Arizona Revised Statutes,
2 revert to the state general fund.

3 Sec. 3. Department of commerce: rule revision

4 The department of commerce shall revise the Arizona job training
5 program rules that were adopted to administer title 41, chapter 10, article
6 4, Arizona Revised Statutes, to streamline the application and reimbursement
7 process for all types of employers, with particular attention on reducing the
8 paperwork burden on small business applicants.